

Insurance Tips for Wildfire Victims

Making a claim. Policyholders should make contact with their insurance company as soon as it is feasible. It is important that your insurer know where you can be reached. To assist in this effort, the Department of Insurance has compiled a list of toll free telephone numbers for most of the homeowner insurance companies doing business in Arizona (posted on our website). If you cannot recall which insurer or agent issued or services your policy, call the Department for suggestions on how to proceed.

If the policyholder does not already have an inventory of personal property damaged or lost by the fire or smoke, the next step will be to begin making one. Make two copies, one for you and one for the insurer's adjuster. Make your inventory as complete as possible, including a description of the items, dates of purchase or age, cost at purchase, and estimated replacement cost. Gather all available documentation (receipts, photos, video, user manuals, warranties, etc.) related to the property. When it is safe to do so, take photos of the damaged area and property. You need to be prepared to provide your insurer with a description of your damaged property and losses.

Mitigate your losses. The policyholder has a responsibility under the terms of their policy to take reasonable and necessary steps to try to prevent further loss. For example:

- Make whatever needed temporary repairs you can.
- Obtain and keep receipts and detailed, accurate records of any expenses you incur resulting from repairs made to your property so that your insurer can reimburse you for reasonable repair expenses. Keep receipts for "living expenses" so you can be reimbursed under your "additional living expense" coverage if you have it.
- Secure a detailed estimate for permanent repairs from a reliable contractor.

Paying your premiums. If mail has been disrupted many people may not presently have access to their insurance related documentation, if a policyholder believes their premium payment may be coming due or is due, they should take steps to pay their premiums so their coverage does not lapse. Some insurers will extend premium due dates for policyholders in these situations. If you are concerned that your policy might lapse due to non-payment of the premium because of the fire, call your insurer or your agent to make arrangements. You can also call the Department of Insurance and we will assist you in attempting to make payment arrangements.

Contesting a claim decision. If a claimant disagrees with the insurance company's claim settlement offer, there are options.

- Seek assistance from your agent. Inform your agent and the company's adjuster that you disagree with the offer. Offer additional information and documentation to support your position.
- Request an independent appraisal of the loss.
- Research the appropriateness of retaining representation from a qualified, licensed attorney or adjuster.
- File a complaint with the Department of Insurance if you believe the insurer may have violated Arizona insurance claims law.

Be alert for fraud. Though the great majority of service providers are honest, there are unscrupulous people who prey on the vulnerable victims of disasters with various fraudulent schemes including, home repair fraud and solicitation of insurance fraud. To avoid being a victim of fraud, follow these steps:

- Shop around before selecting a contractor or repairman. Get more than one written estimate.
- Don't be pressured into signing a contract and never sign a contract with blanks. A contract should include the contractor's name, business name, phone number and address.
- Get everything in writing. A contract should include a thorough description of the work to be performed, the grade and quality of materials to be used, the agreed upon starting and completion dates, the total cost, a payment schedule, warranty terms and the contractor's signature.
- Never let work begin on your home or business until the contract is finalized.
- Insist on getting references and check them.
- Never pay a contractor or repairman in full or sign a certificate of completion until after the work is completed.
- Be wary of contractors or repairmen that solicit door-to-door. Doing business with licensed and insured contractors gives you protection and options if you do not receive the quality of work for which you contracted.
- Call the Arizona Registrar of Contractors to verify the licensure of a contractor: (602) 542-1525 or toll free at (888) 271-9286. Call the Better Business Bureau at (602) 264-1721 (Phoenix) or (520) 888-5353 (Tucson).
- Never let anyone persuade you to seek reimbursement for non-existent losses or damages. This constitutes insurance fraud, which is a felony.

You may be contacted by a public adjuster who offers to represent you and handle your claim. Such services are legal, but as with all contractual, intangible services you purchase, it is important that you understand what you are buying and make sure these services are right for you. If you choose to hire a public adjuster, read the contract carefully. You will likely have to share a percentage of your insurance settlement with the public adjuster as payment for his services. In addition, once you have appointed the public adjuster as your representative, understand that your insurance company or its adjuster may no longer be permitted to communicate directly with you about your claim. In most instances, the adjuster will receive your claim payments and you will have to wait until he delivers your payments. The adjuster's contract may require that he be made a "loss payee" on any settlement checks from the insurance company in order to secure his fee.

Check the public adjuster's references and credentials and call the Department of Insurance to determine if the adjuster is licensed, (602) 364-2499 or (800) 325-2548. Or check our website at www.id.state.az.us to look up information about licensed adjusters.